

MARYLAND'S MANAGEMENT MODEL

Maryland has adopted a customer-focused management system that encompasses a number of management tools including Managing for Results (MFR), Budgeting, Continuous Quality Improvement (CQI), Employee Performance Planning and Evaluation (PEP), and Pay-for-Performance (PFP). All of these management tools share:

- a focus on determining and addressing customer and stakeholder needs,
- attainment of planned results, and
- accountability through measurement of performance.

These management tools, among others, comprise a management system that includes strategic planning, implementation, and accountability. Strategic planning is part of MFR and budgeting. Implementation is supported by strategies, action plans, budgetary resources, CQI, and employee performance. Strategic control measures organizational and employee performance, and determines resource allocation.

Managing for Results (MFR) is a strategic planning process that sets organizational direction, determines priorities, and establishes desired program results/outcomes. Desired results are based upon identified customer needs and expectations. The MFR strategic plan is the “guiding light” for organizational operations. Strategies and action plans are developed for implementation of the strategic plan. Program performance measures track progress toward achievement of the organizational mission, goals, and objectives. The performance measures tell an organization whether the desired results/outcomes are being achieved.

Budgeting is an integral component of planning, and strategic plans and program performance measures are tools which support budget development. Returns on investments must be carefully considered, and whether there is effective and efficient use of resources. A plan not grounded in fiscal reality is not usable, and a budget that ignores the MFR plan does not support achievement of desired results. With the appropriate balance, the budget provides resources to support the achievement of organizational goals and objectives, and thereby the achievement of desired results.

Continuous Quality Improvement (CQI) provides various tools which can be used in initial planning, implementation and continuous refinement or redesign of the strategic plan. CQI tools such as team building, brainstorming and others also are applicable during strategic planning. CQI targets processes for improvement that are important to achievement of the organizational goals and objectives. Process efficiencies are measured.

The Performance Planning and Evaluation Program (PEP) is a logical extension of MFR. PEP promotes individual behaviors that are consistent with the organization's mission, values, goals, and objectives by linking performance standards to the organizational and program goals and objectives developed during the MFR planning process. Objective and measurable performance standards are developed for each employee. PEP measures individual performance and the extent of the employee's contribution to the achievement of program and organizational goals and objectives.

Closely tied to PEP is **Pay-for-Performance (PFP)**. Pay-for-Performance provides incentive pay that is linked to individual performance evaluations. Since PEP is tied to the organization's strategic plan, PFP is also linked to Managing for Results.

The Governor's Performance Excellence Assessment Program for state organizations includes criteria that are linked to the primary elements of Maryland's Management Model (described above) and the Malcolm Baldrige National Quality Award Criteria. These criteria include leadership (MFR, CQI, PEP), strategic planning (MFR, CQI, budgeting), customer focus (MFR, CQI, PEP), information and analysis (MFR, CQI, budgeting), human resource focus (PEP, PFP), process management (CQI), and business results (MFR, CQI). **The Governor's Annual Awards and Recognition Program** includes assessment of employee and team performance and the quality principles of customer service, work quality, cooperation, teamwork, and professional development, and recognizes exceptional employees and teams. Also, each year the Governor recognizes exceptional organizations.